- The difference is even larger when the amount charged by the commission agent (usually 10 per cent of sale price) in the *mandi* is taken into account.

Impact on manufacturers

- Large manufacturers have started feeling the competitive impact of organized retail through price and payment pressures.
- Manufacturers have responded through building and reinforcing their brand strength, increasing their own retail presence, 'adopting' small retailers, and setting up dedicated teams to deal with modern retailers.
- Entry of organized retail is transforming the logistics industry. This will create significant positive externalities across the economy.
- Small manufacturers did not report any significant impact of organized retail.

Policy Recommendations

On the basis of the results of the surveys and the review of international retail experience, the study makes the following major recommendations:

1. Modernization of wetmarkets through public-private partnerships.
2. Facilitate *cash-and-carry* outlets, like Metro, for sale to unorganized retail and procurement from farmers, as in China.
3. Encourage co-operatives and associations of unorganized retailers for direct procurement from suppliers and farmers.
4. Ensure better credit availability to unorganized retailers from banks and micro-credit institutions through innovative banking solutions.
5. Facilitate the formation of farmers' co-operatives to directly sell to organized retailers.
6. Encourage formulation of "private codes of conduct" by organized retail for dealing with small suppliers. These may then be incorporated into enforceable legislation.
7. Simplification of the licensing and permit regime for organized retail and move towards a nationwide uniform licensing regime in the States to facilitate modern retail.
8. Strengthening the Competition Commission's role for enforcing rules against collusion and predatory pricing.
9. Modernization of APMC markets as modelled on the National Dairy Development Board (NDDB) Safal market in Bangalore.

Sorting out problems of small coffee producers

†600. SHRI SATYAVRAT CHATURVEDI:
SHRI MOTILAL VORA:

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

†Original notice of the question was received in Hindi.

(a) whether it is a fact that nearly 26 lakh tonne of coffee is produced annually in the country, out of that 80 per cent is exported;

(b) whether Government is aware that coffee producers in the country especially the smaller one's are reeling under Bank debt of Rs. 400 crore; and

(c) if so, the steps being taken by Government to sort out the problems of small coffee producers?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JYOTIRADITYA MADHAVRAO SCINDIA): (a) During 2008-09, the coffee production was 2,62,300 metric tonne. On an average, about 70% of the country's production is exported.

(b) and (c) On account of low prices and adverse agro-climatic conditions coupled with infestation of diseases, a number of coffee growers were not in a position to service the accumulated debt. Steps taken by the Government to provide relief to the growers included implementation of various relief packages/schemes like Special Coffee Term Loan, Special Coffee Relief Package, Prime Minister's Relief Package for debt stressed farmers and Agriculture Debt Waiver and Relief Scheme. Besides, Government is implementing a number of plan schemes during the Eleventh Plan period, which, *inter alia*, include extending financial assistance for the benefit of coffee growers.

Foreign Trade Policy

601. SHRI V. HANUMANTHA RAO:
DR. T. SUBBARAMI REDDY:

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government released foreign trade policy for five years ending March, 2014 but offered little to the industry reeling under one of worst demand slowdown in key export destinations;

(b) whether the immediate objective of policy is to arrest declining trend of exports and provide additional support especially to those sectors that have been hit badly by recession in developed world; and

(c) if so, the main objects of trade policy and to what extent Government is confident that its implementation will help in improving both industry and also exports?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JYOTIRADITYA MADHAVRAO SCINDIA): (a) The Government released the Foreign Trade Policy (FTP), 2009-14 on 27.8.2009 wherein significant support was provided for market diversification and for incentivizing exports. The immediate objective of this FTP is to arrest and reverse the declining trend in exports due to unprecedented global economic slowdown and to provide additional support especially to those sectors which have been hit badly by recession in